THE FREE TRADE AGREEMENT AND WOMEN

EXECUTIVE SUMMARY *

NOVEMBER, 1987

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ONTARIO WOMEN'S DIRECTORATE
480 UNIVERSITY AVENUE - 2ND FLOOR
TORONTO, ONTARIO M5G 1V1
(416) 597-4500

Ontario
Women's
Directorate

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EXECUTIVE SUMMARY

- There are over 2,000,000 women in Ontario's paid labour force, 44% of the total labour force.

- The Free Trade Agreement is likely to involve a major economic restructuring and would have a considerable negative impact on the economic position of women in Ontario.

WOMEN IN MANUFACTURING

- Ontario women working in manufacturing are disproportionately represented in sectors such as clothing (78% women), textile (55% women), and footwear (68% women). These industries are most likely to be severely affected in the event of free trade. The textile and clothing industries are the second largest industrial employers in Canada.

- Women account for 27% of total manufacturing workers, but 37% of workers in highly trade-sensitive industries. 66% of production workers in industries with the highest tariff levels (greater than 20%) are women.

- Overall, 44% of women's manufacturing jobs are in the most high risk industries (i.e. high tariffs and poor trade records) compared to 28% of men. This represents almost 100,000 female manufacturing jobs in Ontario.

CHARACTERISTICS OF WOMEN IN HIGH RISK MANUFACTURING INDUSTRIES

- The characteristics of women working in the trade-sensitive manufacturing industries mean that they will face particular barriers in finding new jobs. Workers in many of these industries tend to be older immigrants who lack proficiency in English and who have little Canadian education or skills training. For example, 70% of women in the clothing industry do not have a high school diploma and 41% have less than a Grade 9 education. Although statistics specific to Ontario are not available, Canadian statistics indicate that 46% of clothing workers were born outside the country, as compared with 19% for the total work force.

- Because of these characteristics, any new jobs these women find are likely to be in the commercial sector of the service industry (e.g. cleaning) and to be less unionized, lower paid and with fewer benefits and less job security.

. Although there may be replacement job opportunities for these women in the service sector, the jobs are lower paid than in primary and secondary industries. The following are examples of industries in the Manufacturing and Service Industries with similar workforce characteristics:

	Average Weekly Wage
Manufacturing:	
Food and Beverage	$496.32
Leather	$455.38
Textiles	$470.05
Knitting	$312.93
Services:	
Restaurant and Tavern	$177.48
General Merchandise Stores	$243.88
Related Health Care	$277.71
Personal Services	$267.21

FREE TRADE IN THE SERVICE SECTOR

. Over 1.6 million women, 81% of the female work force, work in the service sector. They constitute 52% of all service workers but are concentrated at the bottom of the salary scale. For example, in medicine and health, women earn 34% of the male average.

. Predictions by the Economic Council of Canada that there will be more service jobs for women as a result of a Free Trade Agreement must be discounted since the criteria upon which the predictions were made have not been met. One of these criteria was increased access to the American market through a strong disputes settlement mechanism.

. Trade in services is the fastest growing area of the international market. If adopted, the Canada-U.S. Agreement would be the first comprehensive international agreement on trade in services. As some critical elements regarding the Free Trade Agreement's application to the service sector are still unknown, a detailed sectoral analysis of service industries must await the legal text.

- The impact of the Agreement on services that must be provided on-site, (e.g. cleaning) will likely be increased competition. This may result in cost-saving measures such as lower wages. Such measures would negatively affect women.

- The Agreement could result in greater corporate centralization, with data processing and other computer service requirements of Canadian subsidiaries increasingly carried out in U.S. head offices, with a subsequent loss of jobs in Canada. In 1977, about 12% of companies in Canada had data processed in the U.S. This figure is now estimated to be about 25%. The Free Trade Agreement would hinder government's ability to stem this flow.

GOVERNMENT'S ABILITY TO PURSUE SOCIAL POLICY THROUGH REGULATIONS AND SUBSIDIES

- Any new regulations for specified service industries will have to conform to the principles of the Free Trade Agreement. This seriously restricts Canada's and Ontario's ability to regulate the service industry.

- The continued ability of the government to regulate wages, working conditions and quality of services is particularly important to women. Due to systemic discrimination in training and employment and because of family responsibilities, women are particularly vulnerable in a less regulated market.

- Both the Canadian and American governments recognize that certain subsidies should be "allowable" while others should be challenged as unfair subsidies. The U.S. and Canada are far apart, however, on which kinds of subsidies should be allowed. Canada and the U.S. will attempt to negotiate a Code of Allowable Subsidies over the next five to seven years, after the Agreement is to be signed. The ability of governments to pursue public policy through the use of subsidies is important to women, and it is of concern that a Free Trade Agreement could be signed without agreement on what subsidies would be allowed in future.

INDUSTRIES WITH MORE THAN 5000 FEMALE EMPLOYEES, ONTARIO, 1981

INDUSTRY (1970 S.I.C. CODE)	TOTAL # WOMEN	% FEMALE LABOUR FORCE
TOTAL LABOUR FORCE	1,878,300	100.00%
AGRICULTURE (001-021)*	43,550	2.32%
FARMS/EXPER. & INSTITUTIONAL (001-019)	39,925	2.13%
FORESTRY (031-039)*	2,215	0.12%
FISHING & TRAPPING (041-047)*	705	0.04%
MINES (051-099)*	4,395	0.23%
MANUFACTURING (101-399)*	304,120	16.19%
FOOD & BEVERAGE (101-109)	35,335	1.88%
101 MEAT & POULTRY	5,510	0.29%
107 BAKERY PRODUCTS	7,905	0.42%
108 MISC. FOODS	9,400	0.50%
RUBBER & PLASTICS	13,940	0.74%
165 PLASTICS FABRICATING	9,940	0.53%
LEATHER PRODUCTS (172-179)	10,860	0.58%
174 SHOE FACTORIES	7,600	0.40%
179 LUGGAGE/HANDBAG/SMALL GOODS	2,030	0.11%
TEXTILE (181-189)	18,070	0.96%
189 MISC. TEXTILE	6,430	0.34%
KNITTING MILLS (231-239)	5,555	0.30%
CLOTHING (243-249)	24,265	1.29%
243 MEN'S CLOTHING	10,415	0.55%
244 WOMEN'S CLOTHING	7,205	0.38%
FURNITURE & FIXTURES (261-268)	9,415	0.50%
261 HOUSEHOLD FURNITURE	5,950	0.32%

PAPER & ALLIED (271-274)	**10,750**	**0.57%**
PRINTING/PUBLISH./ALLIED (286-289)	**28,030**	**1.49%**
286 COMMERCIAL PRINTING	11,600	0.62%
289 PUBLISHING/PRINTING	8,245	0.44%
PRIMARY METAL (291-298)	**7,505**	**0.40%**
METAL FABRICATING (301-309)	**20,820**	**1.11%**
304 METAL STAMP/PRESS/COAT	5,000	0.27%
MACHINERY (311-318)	**13,480**	**0.72%**
315 MISC. MACHINERY/EQUIP.	7,635	0.41%
TRANSPORTATION EQUIP. (321-329)	**20,620**	**1.10%**
325 MOTOR VEHICLE PARTS/ACCESS.	12,595	0.67%
ELECTRICAL PRODUCTS (331-339)	**33,370**	**1.78%**
335 COMMUNICATIONS EQUIP.	13,595	0.72%
336 ELECTRICAL INDUST. EQUIP.	5,895	0.31%
NON-METALLIC MINERAL PROD. (351-359)	**5,390**	**0.29%**
CHEMICAL & CHEMICAL PRODUCTS (372-379)	**16,270**	**0.87%**
MISC. MANU. (391-399)	**22,365**	**1.19%**
391 SCIENTIFIC & PROFESSION EQUIP.	8,110	0.43%
399 MISC.	5,580	0.30%
CONSTRUCTION INDUSTRY (404-421)*	**24,870**	**1.32**
GENERAL CONTRACTORS (404-409)	**9,090**	**0.48%**
404 BUILDING CONSTRUCTION	5,885	0.31%
SPECIAL TRADE CONTRACTORS (421)	**15,780**	**0.84%**
TRANS/COMM/OTH. UTIL. (501-579)*	**80,555**	**4.29%**
TRANSPORTATION (501-519)	**33,215**	**1.77%**

507 OTHER TRUCK TRANSPORT	5,270	0.28%
517 MISC. SERVICES TO TRANSPORT	7,755	0.41%
519 OTHER TRANSPORTATION	5,925	0.32%
COMMUNICATION (543-548)	**37,050**	**1.97%**
543 RADIO & TELEVISION BROADCASTING	5,505	0.29%
544 TELEPHONE SYSTEMS	19,570	1.04%
548 POST OFFICE	10,400	0.55%
ELECTRIC POWER/GAS/UTIL. (572-579)	**9,090**	**0.48%**
572 ELECTRIC POWER	6,450	0.34%
TRADE (602-699)*	**337,805**	**17.98%**
WHOLESALE TRADE (602-629)	**67,155**	**3.58%**
614 FOOD	5,810	0.31%
621 ELECTRICAL MACH/EQUIP/SUPPLIES	6,535	0.35%
623 MACHINERY/EQUIP.	11,085	0.59%
629 WHOLESALERS	12,505	0.67%
RETAIL TRADE (631-699)	**270,655**	**14.41%**
631 FOOD STORES	51,230	2.73%
642 GENERAL MERCHANDISE STORES	77,390	4.12%
652 TIRE/BATTERY/ACCESS. STORES	6,500	0.35%
654 GASOLINE SERVICE STATIONS	7,850	0.42%
656 MOTOR VEHICLE DEALERS	5,630	0.30%
667 WOMEN'S CLOTHING STORES	16,050	0.85%
669 CLOTHING/DRY GOODS STORES	9,885	0.53%
676 HOUSEHOLD FURN/APPLIANCE STORES	9,920	0.53%
681 DRUG STORES	15,260	0.81%

694 JEWELLRY STORES	5,810	0.31%
699 RETAIL STORES	27,560	1.47%
NOT CLASSIFIED	9,335	0.50%
FINANCE/INSURANCE/REAL ESTATE (701-737)*	**159,030**	**8.47%**
FINANCE INDUSTRIES (701-715)	**88,390**	**4.71%**
701 BANKS/OTH. DEPOSTIT ACCEPTING EST.	73,075	3.89%
705 SECURITY BROKERS/DEALERS	5,115	0.27%
INSURANCE CARRIERS (721)	**29,810**	**1.59%**
721 INSURANCE CARRIERS	29,180	1.55%
INSURANCE AGENCIES/REAL ESTATE (735-737)	**40,840**	**2.17%**
735 INSURANCE/REAL ESTATE AGENCIES	25,300	1.35%
737 REAL ESTATE OPERATORS	14,290	0.76%
COMM. BUS/PERSONAL SERVICE (801-899)*	**774,490**	**41.23%**
EDUCATION/RELATED SERVICES (801-809)	**163,245**	**8.69%**
802 ELEMENTARY/SECONDARY SCHOOLS	106,835	5.69%
805 POST-SECONDARY/NON-UNIVERSITY	10,090	0.54%
806 UNIVERSITIES/COLLEGES	23,255	1.24%
807 LIBRARIES/MUSEUMS/OTHER REPOSITORIES	10,090	0.54%
HEALTH & WELFARE SERVICES (821-828)	**239,450**	**12.75%**
821 HOSPITALS	121,060	6.45%
822 RELATED HEALTH CARE INSTIT.	26,950	1.43%
823 OFFICES OF PHYSICIANS/SURGEONS	16,930	0.90%
824 OFFICES OF PARA-MEDICAL PERSONNEL	5,050	0.27%
825 OFFICES OF DENTISTS	9,845	0.52%
826 DIAGNOSTIC/THERAPEUTIC SERVICES	7,495	0.40%

827 MISC. HEALTH SERVICES	5,845	0.31%
828 WELFARE ORGANIZATIONS	39,045	2.08%
NOT CLASSIFIED	7,220	0.38%
RELIGIOUS ORGANIZATIONS (831)	**8,955**	**0.48%**
831 RELIGIOUS ORGANIZATIONS	8,160	0.43%
AMUSEMENT/RECREATION SERVICES (841-849)	**26,320**	**1.40%**
849 MISC. AMUSEMENT/RECREATION SERVICES	14,510	0.77%
SERVICES TO BUS. MAN. (851-869)	**91,880**	**4.89%**
851 EMPLOYMENT AGENCIES/PERSONNEL SERV.	9,215	0.49%
853 COMPUTER SERVICES	6,185	0.33%
861 OFFICES OF ACCOUNTANTS	10,245	0.55%
862 ADVERTISING SERVICES	6,620	0.35%
864 ENGINEERING/SCIENTIFIC SERVICES	8,595	0.46%
866 OFFICES OF LAWYERS/NOTARIES	19,415	1.03%
867 OFFICES OF MAN/BUSINESS CONSULTANTS	5,175	0.28%
869 MISC. SERVICES/BUS. MANAGEMENT	20,525	1.09%
PERSONAL SERVICES (871-879)	**51,790**	**2.76%**
872 BARBER/BEAUTY SHOPS	16,950	0.90%
873 PRIVATE HOUSEHOLDS	15,330	0.82%
874 LAUNDRIES/CLEANERS/PRESSERS	10,355	0.55%
879 MISC. PERSONAL SERVICES	5,060	0.27%
ACCOMODATION/FOOD SERVICES (881-886)	**149,210**	**7.94%**
881 HOTELS/MOTELS	36,035	1.92%
886 RESTAURANT/CATERERS/TAVERNS	104,165	5.55%
NOT CLASSIFIED	5,995	0.32%

MISCELLANEOUS SERVICES (891-899)	**43,640**	**2.32%**
891 LABOUR ORGAN./TRADE ASSOCIATIONS	5,065	0.27%
898 SERVICES TO BUILDINGS/DWELLINGS	10,135	0.54%
899 MISC. SERVICES	18,445	0.98%
PUBLIC ADMIN/DEFENCE (902-991)*	**118,915**	**6.33%**
FEDERAL ADMINISTRATION (902-909)	**62,720**	**3.34%**
902 DEFENCE SERVICES	8,330	0.44%
909 OTHER FEDERAL ADMINISTRATION	52,575	2.80%
PROVINCIAL ADMINISTRATION (931)	**30,685**	**1.63%**
931 PROVINCIAL ADMINISTRATION	29,710	1.58%
LOCAL ADMINISTRATION (951)	**24,965**	**1.33%**
951 LOCAL ADMINISTRATION	24,285	1.29%

* THIS DIVISION INCLUDES FIGURES FOR INDUSTRIES NOT CLASSIFIED BY 3-DIGIT 1970 STANDARD INDUSTRIAL CLASSIFICATION CODES